

**Insurance Association of Connecticut
Insurance and Real Estate Committee**

February 14, 2012

**HB 5010, An Act Concerning Information To Be Supplied Or Disclosed
For Certain Personal Risk and Surplus Lines Insurance Policies**

The Insurance Association of Connecticut, IAC, is opposed to sections 1 and 2 of HB 5010, An Act Concerning Information To Be Supplied Or Disclosed For Certain Personal Risk and Surplus Lines Insurance Policies as it will create administrative problems that will be detrimental to the property casualty marketplace in CT for no demonstrated reason.

Sections 1 and 2 of HB 5010 seek to require insurers to report annually the number of policies issued in each of CT's over 300 zip codes to the insurance department. Such a requirement will be an administrative nightmare for the industry. HB 5010 mistakenly presumes that insurers keep such information. Most insurers do not track policies based on zip codes. Insurers mainly use territories to rate and monitor auto and homeowners' policies. Insurers maintain records and report data based on their established territories. To comply with the requirement of Section 1 and 2 insurers will have to reprogram their systems to capture, store and report information that is not typically kept by insurers, thereby incurring unnecessary additional costs.

And for what purpose? HB 5010 fails to establish the public policy behind requiring the zip code data or what is to be done with it. CT clearly has a fully competitive marketplace for homeowner's and auto insurance which are working to the benefit of insurance consumers throughout the state, as evidenced by the low number of policies issued in the assigned risk pool and the Fair Plan. Section 1 and 2 of HB 5010 simply place yet another obstacle to conducting business in CT for no demonstrated purpose.

Finally, the reports required pursuant to sections 1 and 2 of HB 5010 are to be provided without any protection of confidentiality. The data required by HB 5010 would be open to public review. Rates are public information, but business strategies are not. Competitors, over time will be able to track an insurer's concentration of business, potentially discovering a company's marketing plan. Insurers have different views of the insurance market, and their role in it, but the end result in CT has been

comprehensive, competitive market that addresses the needs of CT insurance consumers. The unnecessary exposure of an insurer's market strategies, could have a chilling effect on the viability of CT's competitive market.

The IAC urges your rejection of sections 1 and 2 of HB 5010.